REMARKS

Claims 1, 4 and 6-26 are currently pending in the application. Claims 1, 4 and 6-26 were finally rejected.

The Examiner reiterated the rejection of claim 19 under 35 U.S.C. 112, second paragraph, for failing to particularly point out and distinctly claim the subject matter which the Applicant regards as the invention. The Applicants believe the rejection to have been successfully traversed in the previous response, and the arguments set forth therein are hereby incorporated by reference.

As stated in the previous response, claim 18 depends on claim 13 and recites "controlling implementation of the at least one business rule with reference to at least one *other* business rule associated with the second party." Claim 19 merely further defines how "implementation of the at least one business rule" recited in claim 18 is accomplished. That is, claim 19 states that the "at least one *other* business rule" introduced in claim 18 must be implemented before the "at least one business rule" originally introduced in claim 13. In view of the foregoing, the rejection of claim 19 is believed overcome.

The Examiner rejected claims 1, 6 and 21-26 under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,946,667 (Tull) in view of Dialog file 148 – acc. No. 10173675 (Kovski). The Examiner also rejected claims 13-15 and 18-20 over Tull in view Kovski and further in view of the Examiner taking Official Notice that various recited limitations are well known in the art. The Examiner also rejected claims 7-10 over Tull in view Kovski and further in view of U.S. Patent No. 5,797,127 (Walker), and claims 16 and 17 over the combination of Tull and Walker in view of further Official Notice. The Examiner further rejected claim 4 over Tull in view of Kovski and further in view of U.S. Patent No. 6,338,050 (Conklin). Finally, the Examiner further rejected claims 11 and 12 over Tull in view of Kovski and further in view of U.S. Patent No. 6,519,574 (Wilton). The rejections are respectfully

traversed.

The Examiner essentially reiterated the rejections of the previous office action with the addition of the Kovski reference. Therefore, the arguments set forth in the previous response with respect to the remaining references, and in particular the Tull reference, are maintained and incorporated herein by reference.

As stated in the previous response, Tull describes a financial data processing system by which a new type of financial debt instrument is created and controlled, and by which the debt instrument is made accessible to individual investors. The debt instrument (referred to as an OPALS) represents a carefully selected group or "basket" of shares from a particular capital market, and is designed to track the overall performance of the capital market which it represents. The OPALS debt instrument may be traded on the open market as a single security for a limited period of time. See the Abstract and column 5, line 51 to column 6, line 23.

Referring to Fig. 1, financial management structure 8 receives data relating to each of the stocks in each of various capital markets 1. Modeling system 3 uses these data to select an optimized basket of shares which are intended to track a particular market's index closely. These shares are aggregated as an OPALS 10 for that market. See column 6, lines 4-23. Details of the algorithm by which the basket of shares is created are provided in columns 7 and 8. OPALS 10 may then be purchased and traded by investors (as conventionally facilitated by brokers) in a manner similar to open market funds (column 6, lines 32-46).

Fig. 2 of Tull adds very little to the foregoing discussion except to identify the nature of the connections between data processing system 20 of Fig. 1, the other parts of financial management structure 8, and capital markets 1. That is, Fig. 2 and the corresponding description beginning at column 8, line 28, show a communications network 9 by which system 20 receives data from markets 1. Also shown are two-way connections with brokers 13 by which the brokers may facilitate the trade of OPALS 10. Investors 5 are connected to the system over a

communications network 15 which may be an international news reports service such as Reuters. Information about the operation of financial management structure 8 may also be viewed by operators at terminals 17.

The Examiner stated that Tull does "not disclose about enabling the 3rd party...to facilitate consummation of the transaction between the 1st party...and 2nd party." However, the Examiner went on to say that Kovski teaches this limitation. The Applicants respectfully disagree.

Kovski is an article which discusses the costs suffered by government agencies because they are reluctant to hedge when negotiating contracts for commodities such as crude oil. The article cites the example of the Metropolitan Atlanta Rapid Transit Authority (Marta) as being the exception to this general rule estimating that hedging has saved the city of Atlanta $2.2 million over a 10-year period. In referring to the deal negotiated by Marta, the article indicates that "Marta pays the difference if the market price is lower; the counterparty broker covers the difference if the market price is higher." This is the common, well known result of such a hedging deal. However, it does not anticipate or obviate the present invention as claimed.

Kovski merely introduces the general notion of hedging into the prior art provided by the Examiner. What it does not teach is the ability of a third party "to facilitate consummation of the transaction between the first and second parties by transmitting a counteroffer or an acceptance from the third party to the first party via the wide area network, *and* enabling the third party to cover at least part of a first difference between the first bid price and the first ask price." The transaction to which the Kovski refers has already been consummated, i.e., Marta has a "locked-in diesel price" of 48.74 cents/gallon. That is, the transaction is not consummated by "enabling the third party to cover at least part of the difference." Rather, the broker covering the difference in Kovski may be a *result* of the consummation of the transaction, not the other way around.

Moreover, neither Tull nor Kovski teach that consummation of the transaction is

facilitated by "transmitting a counteroffer or an acceptance from the third party to the first party via the wide area network." That is, there is no capability or mechanism described in Tull or any of the other references whereby a third party can accept the first party's bid or make a counteroffer on behalf of the second party.

The fact that neither Tull nor Kovski describes or suggests this *combination* of important limitations, i.e., facilitating the transaction by transmitting the acceptance or counter offer *and* enabling the third party to cover at least part of the difference, means that the rejection of claim 1 as being obvious over these references cannot stand. Claims 4 and 6-26, which are either directly or indirectly dependent on claim 1, or contain similar limitations are believed allowable for at least the reasons discussed.

In addition, the Applicants maintain their objection to and traversal of the Examiner's use of Official Notice in some of the rejections under 35 U.S.C. 103. As stated by the CCPA in In re Ahlert 165 USPQ 418, 420 (and as repeated in MPEP 2144.03), such notice may be taken by the examiner only where the facts are "capable of such instant an unquestionable demonstration as to defy dispute." The MPEP goes on to state that "[i]f such notice is taken, the basis for such reasoning must be set forth explicitly. The examiner must provide specific factual findings predicated on sound technical and scientific reasoning to support his or her conclusion of common knowledge." In view of the technical and business obstacles to implementing the features in the rejected claims, it is the Applicants' position that none of the claim features for which the Examiner took Official Notice satisfy these criteria.

For example, the Examiner indicated that "controlling implementation of the at least one business rule with reference to at least one other business rule associated with the second party" (i.e., claim 18) was obvious. However, no specific factual findings were provided. The Applicants submit that, while it may be well known to allow an entity to specify business rules, it is not well known to allow the entity to specify rules which refer or depend on a business rule

specified by a second entity. Thus, the Examiner's obligations in this regard are not fulfilled, and the rejection is believed insufficient on its face.

Similarly, the Examiner provided no basis for the rejection of claim 17. That is, enabling a business rule which effects the counteroffer or acceptance recited in claim 1 is novel and nonobvious for the same reasons as claim 1. Thus, this rejection is also believed to be insufficient.

In view of the foregoing, Applicants believe all claims now pending in this application are in condition for allowance. The issuance of a formal Notice of Allowance at an early date is respectfully requested. If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at (510) 843-6200.

Respectfully submitted,
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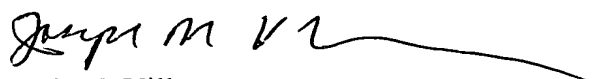

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